App. F. IX-4

Previous References.
GF 118-39(1-2)

1940.
(SRA)

File No. 573-40
Serial Nos. 1+2

Later References.
Src 26-42 (1-2)

PRESERVE

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Two

P.C

Part B for July/41

SUBJECT.
Relation of House Rent Allowance to Special Locality allowance.

Sl2)

To
The Compr.

Fl 209 Dy 12-7-41

States that the Practice in the Ry and electrical depts be adopted in respect of other Depts also etc.

Relation of House Rent allowance to Special Locality Allowance.

General and Revenue Secretariat | G.A. File No. 273 of 194 O. | [App. F. III-2

Serial No.	
	Letter no. 552/B.I dt 2.6.41 from A. Comptroller to Govt. reporting for information & orders of Govt regarding the granting of Special Locality allowance in cases where it is ordinarily inadmissible under the Rules to Officials whose emoluments are in excess of Rs 500/- viz M.S. Veerappiah.
	1. It is clear that the Audit has made a mistake in having not rectified the irregularity earlier. The Dept should also have obtained a ruling before the official was permitted to draw the S.L.A excluding the H.R. allowance. If so, the unfair now confronting, of having to recover moneys already drawn under bona-fide circumstances - Cont. have been avoided.
	2. The Audit office now submits general orders on the question, apart from the individual case reported.
	1. Whether house rent allowance is or is not to be excluded for determining the total emoluments for purposes of Special Locality Allowance.
	2. Whether the rental of free quarters wherever allowed should be taken into account in determining the limit of emoluments.
	2. It is submitted that even without an authoritative interpretation the

NOTE—Contn. Sheet.

Inclusion of House Rent Allowance in Special Duty Allowance

S & A File No. of 194 . | General and Revenue Secretariat

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existing rules there is no room for doubt. The note under Para 5 (a) of Appendix 11 (C.C.A.C. Vol I App. 4 F — as revised' —

"Emoluments for this purpose will include pay, allowances of all kinds excluding only [illegible] Pension, if any, drawn in Each Centre"

(The underlining is by this office)

The Bombay order referred to is reproduced

In Delhi 1959, the doubt obtained was whether the Govt by saying that "Permanent Contingency allowances" do not form part of Emoluments for purposes of S.R.A. G.I. F.R. 119-39-2. This order read with the note appended above seems to afford a ready, much scope for interpretation

Again, both in the Fundamental Rule 45 & Madras Secretary rule 1 hereunder, House Rent allowance is regarded as a "Compensatory Allowance" which is given with to Compensate expenditure or inconvenience of the place of duty. The Special Duty Allowance is also of the same type. If this is to be excluded from emoluments

Relation of House rent allowance to Special Localit
3744 Allow.

General and Revenue Secretariat | S&A File No. 573 of 194 0. | [App. F. III-2

Serial No.

it would mean a double Compensat
Neither could it be the intention
Could it accord with the fundamenta
rule that the Compensatory allowance
should not be a source of profit
to the recipient.

6) The reply to the Audit's enquiry
would therefore be
1 that the H.R allowance is
not to be excluded but is to be
included for determining the total
emoluments for purposes
2 the rental value has also
to be taken into a/c for
determining the limit.

(A)

7) Regarding the medical care, it is
open to Govt if it so pleases them
to waive recovery, Could it be prove
to their satisfaction that the hous
facilities were all right.

5/4/41

By

8) Re (A) Under the existing rule, ~~[illegible]~~
is the equivalent rental
value of free quarters to be
taken into account for
Calculation of "emoluments"
for purposes of S.L.A ?
(M. bring up with Reps)

CPG
7/4/41

NOTE—Contn. Sheet.

Serial No.

As the Rules now stand, "Special Locality allowance" ~~is~~ admissible only to offices "whose emoluments do not exceed Rs 50 p.m." and as per explanatory note under par 5 (a) App. VII, Vol I, M.C.A.C., "emoluments for this purpose will include pay, allowances of all kinds excluding only T.A. & pension if any drawn for past service".

~~Audit need not~~

There was no reason for any doubt that House rent is to be taken into account (as per existing rules) for the purpose, and so far as the application to the individual case under adverteence is concerned, ~~Audit need not~~ ~~have sought~~ orders of Govt. were unnecessary.

As regards the general principles now raised there seems, however, to be a case for modification and clarification on grounds of ~~justice~~ equity. It is no doubt true that House rent is an allowance, but the point is whether it is to be considered as an extra easement allowed to make the post attractive or whether it is merely

Serial No.

a facility allowed in the public interest and to be treated as equivalent to "Free quarters".

~~So long as~~ The monetary equivalent of free quarters is not taken into account as a separate allowance for calculation of emoluments, and a person, who is given House rent A ~~not given~~ owing to non-availability of free quarters or in lieu thereof, may claim to be placed in the same position as if he had been given quarters, ~~if officer attached to a Special Force entitled to free quarters or H.R.~~

So if H.R. allowance is included in emoluments for ~~which~~ this purpose the equivalent of free quarters may also be similarly taken into account or it may be omitted out of account in either case.

Proposal in paras 6 & 7 for consideration.

9/4

Dy Secy

12) 12 There is considerable force in views at A. What is the practice in other Depts to like Elec. Rly, police etc which provide free quarters, in the matter of including any equivalent of rent for calculating Sp. Duty allce? So far as I remember, except for Secretariat, such equivalent is not taken into a/c. May kindly depute AU 9/4.

NOTE—Contn. Sheet.

File No. of 194 .

General and Revenue Secretariat

Serial No.

May this Graph be Cancelled Pro? It is difficult to get it from Bhawani.

9/4

Cpl 9/4.

Dfle

may be cancelled. w.o after perusal

9/4 Cpl 9/4 JKJ 10/4

if yes.

AD 11.4.41 JKJ 11/4

109 B.I.

Forwarded, with compts, to the Comptroller to post.

B.I

CONTROLLER'S OFFICE 12 APR. 1941 644/spl SPECIAL SECTION

Qbanerjee for Fmly

747/Spl & 206/41.

U.O.No.672/B.i. dated 20 June 1941.

Returned with compliments.

The practice in the Electrical and Railway Departments is not to include the house rent allowance for determining the total emoluments drawn by an employee for the purpose of granting the Special Locality Allowance. It is intimated further that rental value of free quarters is not also included in reckoning the emoluments for the above purpose.

A

Deputy Comptroller,
For Comptroller absent from Head Quarters.

KR/17-6

Refer. Para 16

Either 'A' above has to be adopted

Serial No. 2

Fr 209 of 12.7.41 to the Comptr stating the practice in the Rly & Elect Depts of not including either the House Rent allowance or the Rental Value of free quarters in the Calculation of total emoluments for purposes of granting Special Localities allowance. The Appendices may be suitably amended.

B 10/7/41

B 7/7/41

Relation of House Rent Allowance & Special Localities allowance

Serial No.

uniformly in all Depts of the proposals at paras 6 & 7 have to be considered.

The notes above treat about the merits of the question.

Courts 'A' be adopted, there was no necessity for the reference of ~~20~~ 2.4.41 by the Audit

24/6/41

~~the procedure adopted~~

now

The practice in Elec. & Rly A Depts. (vide para 19) may be adopted uniformly

28/6

Dy Sec

I do not think so.

1/7/41

A. This is the only consistent & reasonable way of dealing with the matter. Concerned will be informed accordingly

Mr Secretary) 5.7.41

7.7.41

Draft sent up.

7.7.41

Dy Sec 8/7

OFFICE OF THE MINISTER FOR FINANCE & REVENUE 5 JULY 1941 No. 120

NOTE Cover Sheet. 5 JULY 1941

Sgr 573-200-1

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYOSRE

No 552/B.I. Encl. two

Bangalore, dated 20th March 1940. 24th 2nd April 1941.

From

M. VIRARAJA URS, Esqr., B.A., B.L.,
Comptroller to the Government of
His Highness the Maharaja of Mysore,
BANGALORE.

To

Rajasevaprasakta
A.N.Raghavachar, Esqr., M.A.,
Financial Secretary to Government
of Mysore, Bangalore.

FINANCIAL GEN. BR. 3744 4 APR. 1941 FINANCIAL B. SECT.

Sir,

I have the honour to report for the information and orders of Government, the facts of a case in which Special Locality allowance ordinarily inadmissible under the rules to officials whose emoluments are in excess of Rs.50/- has been admitted by this office for about ~~three~~ two years in the case of Mr.M.S.Veerappiah, clerk attached to the Kar-Ragi Breeding Station, Hunsur. The aggregate sum thus admitted amounts to Rs.111-12-0 as noted in the margin. The history of the case is briefly as follows:-

S.L.A. from 25-9-35 to end of November '38 2 Yrs. from 25-9-35 to 24-9-37 @ 2-13-0 p.m. 1 Yr.2 months and 6 days from 25-9-37 to 30-11-38 @ 3-2-0 p.m.	67-8-0 44-4-0
	Rs.111-12-0

Mr.M.S.Veerappiah joined duty at Kar Ragi Breeding Station on 11-10-33 as a clerk on a pay of Rs.40 + 7-8-0 (house rent) + 2-8-0 (S.L.A in the grade of Rs.30-5/2-50. An increment raising his pay to Rs.45/- fell due to him on 25-9-35 and was sanctioned. His pay was drawn at Rs.45 + 7-8-0 + 2-13-0 (S.L.A.) from that date. As per rules contained in Appendix VII M.C.A.C. Vol.I. he was not entitled to special Locality allowance as his emoluments exceeded Rs.50/- The mistake could not however be noticed in audit due to change of hands till January '39 when the S.L.A. of Rs.3-2-0 calculated on the pay of Rs.50/- drawn for December '38 was objected to and recovered, a reference having immediate been made to the Director of Agriculture requesting him to intimate the circumstances under which the allowance was drawn by the along. The Special Locality Allowance is not being drawn af

was taken by this office.

The Director of Agriculture has explained that the house rent was given in lieu of free quarters and as such the same has to be excluded in calculating the total emoluments required for allowing Special Locality Allowance as it is allowed in other Farms in addition to free quarters. No authority is quoted for this. It is, however, seen from item 6 to note 3 of para 7 of Appendix V M.C.A.C. Vol.I. page 14 (Rules relating to Mysore Income Tax) that allowances for house rent or the value of rent free quarters are included under "Salary" for purposes of determining the taxable income. Copies of letters No.764/B.I. dated 24-6-1940 addressed to the Director of Agriculture in the matter and his reply there to (Letter No.Estt.675-2838/39-40 dated 29-6-40) are enclosed for reference.

In the circumstances explained above, I request that orders of Government may kindly be obtained and communicated on the following points.

1. Whether the house rent allowed in cases where free quarters are not provided for is or is not to be excluded for determining the total emoluments drawn by the official for purposes of granting him Special Locality allowance.

2. Whether in cases where free quarters are allowed, the rental value of such quarters is to be taken into account to determine the emoluments, and

3. If the house rent is to be included in the emoluments under (i) above, whether the amount of Rs.111-12-0 drawn in the present case may be ordered to be recovered from the official under Article 400 M.C.A.C. Vol.IV. Part I.

Early orders are solicited.

I have the honour to be,
Sir,
Your most obedient servant,

for Comptroller.

Letter No.Estt.675-2838/39-40 dated 29th June 1940 from the Director of Agriculture in Mysore, Bangalore to the Comptroller to the Governmentof Mysore, Bangalore.

--

With reference to correspondence ending with your letter No.764/B.I. dated 24-6-1940 regarding the admissibility of special locality allowance to Mr.Veerappiah I have the honour to state that officials drawing Rs.50/- in Babbur, Cattle Breeding Station and Coffee Farms where special locality allowance is admissible, are being allowed special locality allowance in addition to free quarters on consideration that they have to be always on the Farms and lead a secluded life in out of the way places. It would therefore appear that rental value is not apparently being taken into account while allowing special locality allowance which is given in consideration of the unhealthiness of the locality.

Since the official in the present case was not provided with quarters on the Kar Ragi Farm as in the case of officials in other Farms, he was given house rent of Rs.7-8-0 per mensem till quarters are provided. I therefore feel that it is not justifiable to take this sum of Rs.7-8-0 into consideration, to determine the admissibility of the special locality allowance.

In the circumstances, I request you to kindly waive the objection in this regard.

The service register of the official is enclosed herewith for reference and return as desired by you.

' Copy '

SUPERINTENDENT.
16/6 B.I.

Letter No.764/B.I. from the Comptroller to the Government of Mysore, Bangalore to the Director of Agriculture in Mysore, Bangalore.

In continuation of this office letter No.686/B.I. dated 20-5-40 regarding the S.L.A. drawn by one Mr.Veerappiah of the Kar Ragi Breeding Station Hunsur, I have the honour to state that it is seen from the Audit Registers that Mr.Veerappiah got an increment of Rs.5/- raising his pay to Rs.45/- from 25-9-35 from which date the Special Locality Allowance becomes inadmissible as his emoluments exceed Rs.50/-. It is not clear how the Assistant Director of Agriculture Mysore, states in his letter No.323 dated 30-3-39 that the S.L.A. drawn irregularly is Rs.375/- while as per details noted in the*margin the S.L.A. drawn actually works out to Rs.111-12-0. I request that details for Rs.375/- may kindly be caused to be furnished for verification. The service Register of the Official which has been/already called for in this office memo No.645/B.I. dated 27-5-40 may also be/sent very early for reference.

The favour of a very early reply is requested.

* For 2 years from 25-9-35 to end of 25-9-37 @ Rs.2-13-0 p.m 67- 8- 0

For 1 year, 2 months and 5 days @ 3-2-0 p.m. 44- 4- 0

Rs.111-12- 0

'Copy'

SUPERINTENDENT?
16/12 B.I.

Appendix F G—1]

SUBJECT .....

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.....

Section S & A.
File No. 573-Leo
Serial No. 2

Diary No. of letter replied to.....

No. H 209

To The Comptroller

General and Revenue Secretariat

( )

the *19* .

Sir,

Date of issue 12.7.41

With reference to the
your office letter No 552/B.I d. 2.4.1941 and
Subsequent Correspondence ending with
Your Note No. Leo 642/Bi
of 20.6.1941, in regard to
the treatment of House Rent
allowance for purposes of
calculating total emoluments to determine
the title to Special Localities'
allowance, I am directed to
state that the practice in
the Railway & Electrical Depts

Signed by Mr C.G.B

List of enclosures.....

Copied by .....

Examined by .....

WD 086—GPB—40,000—30-7-40

may be adopted in respect of the other Depts also. Accordingly, hence such (or the rental value of free quarters, wherever provided) allowance need not be included for arriving at the total emoluments of an employee for the purpose of granting him special localities allowance.

The question of Mr. S Veerappa of Viz Radio Broadcasting Station, Hemeur raised by You in Your Letter No 5.5.2/B1 by 2.4.41 may be disposed off in accordance with the above ruling and the note under Para 5 (a) of App. VII of C.C.A.A. Vol I suitably amended.

Please.

AG 8/7/41

8/7/41

8/7/41

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

General and Revenue Secretariat,

Dated Bangalore, 12 July 1941.

No. H 209/S+A 573-40-2

FROM

The Secretary to the Government of His Highness the Maharaja of Mysore,

Financial Department.

To

The Comptroller to the Government of Mysore,

Bangalore.

Sir,

With reference to your letter No.552/B.I dated 2nd April 1941 and subsequent correspondence ending with your Note No.U.O.67 Bi. dated 20th June 1941, in regard to the treatment of house rent allowance for purposes of calculating total emoluments to determin the title to special localities allowance, I am directed to state that the practice in the Railway and Electrical Departments may be adopted in respect of the other departments also. Accordingly house-rent allowance on the rental value of free quarters where providing need not be included for arriving at the total eomolumen of an employer for the purpose of granting him special localities allowance.

The question of Mr. S. Veerappiah of Kar Ragi Breeding Station, Hunsur, raised by you in your letter No.552/Bi dated 2nd April 1941 may be disposed of in accordance with the above ruling and the note under para 5(a) of Appendix VII, Mysore Civil Account Code, Volume I, suitably amended.

I have the honour to be,
Sir,
Your most obedient servant,

Secretary to Government,
Financial Department.

Aga/2.